

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
2011-365-C**

In the Matter of the Application of)
)
Liberty-Bell, LLC dba DISH Network Phone &)
Internet for a Certificate of Public Convenience)
and Necessity to Operate as a Facilities-Based)
and Non-Facilities Based Competitive Local)
Exchange Carrier and Non-Facilities Based)
Intrastate, InterLATA and IntraLATA)
Interexchange Telecommunication Service)
Provider in the State of South Carolina)

**DIRECT TESTIMONY OF
NIGEL ALEXANDER**

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND TELEPHONE**
2 **NUMBER.**

3 **A.** My name is Nigel Alexander. My business address is 2460 West 26th Avenue, Suite
4 #380-C, Denver, Colorado 80211. The Company's main telephone number is
5 303.831.1977.

6 **Q. WHAT IS YOUR POSITION WITH THE APPLICANT?**

7 **A.** I am President and Chief Executive Officer of Liberty-Bell Telecom LLC dba DISH
8 Network Phone & Internet ("Company".)

9 **Q. WHAT ARE YOUR PRINCIPAL RESPONSIBILITIES?**

10 **A.** I am responsible for the overall operations. In this capacity, I am responsible for the
11 Company's financial profile, personnel, policies, strategic planning and execution of our
12 business plan.

1 **Q. COULD YOU TELL US ABOUT YOUR PROFESSIONAL BACKGROUND?**

2 **A.** After completing a four-year degree in Banking and Finance, I was accepted into the
3 British Institute of Bankers. I then spent 15 years leading various organizations in the
4 financial industry. In 1995, I co-founded Multi-Link Telecom, a unified messaging
5 provider and grew the Company's operations through customer growth and a series of
6 transactions. My banking and finance experience has given me a strong accounting and
7 reporting background which is well suited to operating in a regulated environment such
8 as telecommunications. In addition to my responsibilities with the Company, I am also
9 the Executive Director of Colorado Community Voicemail, a Company-sponsored
10 501(c)(3) that provides free telecommunications services to more than 4,000 homeless
11 customers in Colorado.

12 **Q. PLEASE DESCRIBE THE TRANSACTIONS THAT YOU HAVE BEEN**
13 **INVOLVED IN SINCE STARTING MULTI-LINK?**

14 **A.** In September 2006, Multi-Link purchased Liberty-Bell Telecom LLC which was a
15 provider of local exchange and broadband services to residential customers in Colorado.
16 Multi-Link changed its name to Liberty-Bell LLC when it became the direct parent of
17 Liberty-Bell Telecom LLC. In October 2008, Liberty-Bell purchased certain customer
18 assets of Affinity Telecom, Inc. In September 2009, the Company purchased certain
19 additional assets of Impact Telecom LLC. Then in January 2011, DISH Media Holdings
20 Corporation obtained a 90 percent stake in Liberty Bell LLC. The remaining 10 percent is
21 held by 21 individuals. Of those 21 shareholders, I own the largest share with 4.86
22 percent. DISH Media is a subsidiary of DISH Network Corporation ("DISH Network").

1 **Q. HAVE YOU EVER TESTIFIED BEFORE THE PUBLIC SERVICE**
2 **COMMISSION OF THE STATE OF SOUTH CAROLINA?**

3 **A.** No, I have not.

4 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

5 **A.** My testimony supports the Application filed by the Company with the Public Service
6 Commission of South Carolina (“Commission”) for authority to provide basic local
7 exchange and interexchange telecommunications services. The Company proposes to
8 offer regulated telecommunications services as well as a variety of unregulated services
9 on a competitive basis, initially to residential customers in the exchange areas of AT&T,
10 Inc. and CenturyLink. My testimony focuses on the Company’s technical, managerial
11 and financial qualifications supporting a grant of the requested authority.

12 **Q. PLEASE DESCRIBE THE COMPANY AND ITS OPERATIONS.**

13 **A.** The Company is a privately-held corporation organized under the laws of the State of
14 Colorado on February 27, 2003. It offers telecommunications services to more than
15 11,500 subscribers in the historic 14-state, Qwest (now CenturyLink) operating territory.
16 The majority of those customers are in Colorado but we are expanding across the
17 CenturyLink territory.

18 **Q. IN PARAGRAPH 13 OF THE APPLICATION, THE COMPANY INDICATES IT**
19 **WILL SEEK AUTHORITY TO OPERATE IN NEW STATES. CAN YOU**
20 **PROVIDE AN UPDATE?**

21 **A.** Yes. A list of the states where the Company has been granted authority to operate and
22 where applications are pending is attached to this testimony as **Exhibit 1**.

1 **Q. HAS ANY STATE COMMISSION DENIED THE COMPANY AUTHORITY TO**
2 **OPERATE?**

3 **A.** No state has refused to grant the Company a certificate to provide telecommunications
4 service.

5 **Q. PLEASE DESCRIBE THE SERVICES THE COMPANY PROPOSES TO**
6 **OFFER?**

7 **A.** Our Company proposes to offer competitive local exchange, switched exchange access,
8 and interexchange telecommunications services throughout South Carolina. The
9 Company will do this through a combination of facilities-based and non-facilities-based
10 competitive local exchange services, facilities-based switched exchange access service to
11 interconnecting carriers and non-facilities-based interLATA and intraLATA
12 interexchange telecommunications services in conjunction with the Company's interstate
13 services. We will coordinate with incumbent local exchange carriers for the provision of
14 emergency 911 services, directory publication, and directory distribution to local
15 customers. Our goal is to provide customers with a comprehensive set of combined local
16 and interexchange telecommunications services at desirable rates, along with Internet and
17 satellite television services to meet subscriber demand for "triple play" and bundled
18 service offerings.

19 **Q. HOW WILL THE COMPANY PROVIDE ITS SERVICES?**

20 **A.** The Company serves its local exchange subscribers by utilizing a combination of
21 incumbent local exchange carrier unbundled network elements (UNEs), facilities
22 provided under commercially negotiated agreements that replaced previous UNE-P
23 options and resold services. The Company will not construct facilities. The Company will

1 initiate negotiations for interconnection with incumbent carriers. The resulting
2 interconnection agreements will be filed with the Commission for approval pursuant to
3 the Telecommunications Act of 1996.¹ The specific competitive local and interexchange
4 services the Company proposes to offer are more fully described local and interexchange
5 tariffs which appear as Exhibit F of the Application. The Company will also provide
6 switched access services to interconnecting carriers subject to a separate tariff. The
7 Company will file its switched access tariff prior to initiating operations.

8 **Q. WILL THE COMPANY OWN SWITCHING OR TRANSPORT FACILITIES IN**
9 **SOUTH CAROLINA?**

10 **A.** No. The Company will not own switching equipment or transport facilities in South
11 Carolina. Since the Company combines unbundled network elements and other resold
12 services, it will rely upon the technical capabilities of its underlying providers for all
13 network and transport facilities to provide service.

14 **Q. IS THE COMPANY REGISTERED TO DO BUSINESS IN SOUTH CAROLINA?**

15 **A.** Yes. A copy of the Company's Certificate of Authority to transact business as a foreign
16 limited liability company in South Carolina was attached to the Application as Exhibit C.

17 **Q. DOES THE COMPANY HAVE THE MANAGERIAL RESOURCES TO**
18 **PROVIDE BASIC LOCAL EXCHANGE SERVICES AND INTEREXCHANGE**
19 **SERVICES TO CUSTOMERS IN THE LISTED LOCAL EXCHANGE AREAS?**

20 **A.** Yes. The Company's management team is composed of seasoned industry professionals.
21 Its leadership has experience in banking, communications and telecommunications. We
22 understand the challenging technical demands of telecommunications operations and

¹ See: 47 U.S.C. §252(e)

1 have shown that we can successfully manage a telecommunications company.

2 Summaries of my professional background and Chief Operating Officer Christina Neher
3 can be found at Exhibit D of the Application.

4 **Q. PLEASE DESCRIBE THE COMPANY'S FINANCIAL QUALIFICATIONS.**

5 **A.** The Company is financially qualified to provide the services proposed in its Application.
6 The Company has access to financial resources sufficient to support its initial roll-out of
7 local exchange services in South Carolina and thereafter. The Company is profitable, has
8 no accumulated debt, and is internally and fully funded. The Company's confidential
9 financial statements for the period Jan. 1, 2010 to Dec. 31, 2010 were filed under seal
10 with the Application as Exhibit E.

11 Ultimately, the Company is backed by the consolidated strength of the DISH
12 Network companies. The Company's revenues are reported as part of the revenue of its
13 ultimate parent DISH Network which for 2010 had revenue of \$12.64 billion. The annual
14 10-K report filed by DISH Network with the United States Securities and Exchange
15 Commission is available at www.dish.client.shareholder.com/financials.cfm.

16 **Q. DOES THE COMPANY HAVE THE TECHNICAL RESOURCES TO PROVIDE**
17 **BASIC LOCAL EXCHANGE SERVICE WITHIN THE GEOGRAPHIC AREA**
18 **OF ITS CERTIFICATE?**

19 **A.** Yes. While the Company's technical ability to provide services rests primarily on the
20 technical capabilities of its underlying network providers, we have shown in our existing
21 service territories that we have the ability to manage that relationship and handle any
22 technical issues.

1 **Q. WILL THE COMPANY COMPLY WITH ALL APPLICABLE REGULATIONS**
2 **REGARDING THE MANAGEMENT OF 9-1-1 EMERGENCY SERVICE TRAFFIC?**

3 **A.** Yes. The Company will coordinate with its underlying carriers to ensure that
4 Commission regulations concerning the management of emergency phone calls are met.

5 **Q. PLEASE DESCRIBE THE COMPANY'S TROUBLE REPORTING**
6 **PROCEDURES.**

7 **A.** All service-related problems, including trouble reporting, may be directed to the
8 Company's customer service department via its toll-free number, 855.347.3474. Our
9 customer service staff is available 24 hours a day, seven days a week. Immediately upon
10 report of local service trouble, we will contact our carrier's operations staff to identify the
11 source of the trouble and will coordinate with the incumbent carrier to isolate the trouble
12 and repair. The incumbent carrier will repair the trouble and inform us when the issue is
13 resolved. If the trouble pertains to interexchange services, we will report the issue to the
14 designated service representative of the underlying carrier. That provider will take
15 corrective action and will report to us the resolution of the trouble. The Company will
16 then verify with the customer that service has been restored.

17 **Q. HOW WILL THE COMPANY BILL ITS CUSTOMERS?**

18 **A.** The Company bills local exchange and interexchange customers directly on a monthly
19 basis.

20 **Q. HOW ARE BILLING DISPUTES RESOLVED?**

21 **A.** The Company's customer service department is available to resolve any disputes.
22 Customers may reach the Company's customer service staff via its toll-free telephone
23 number, 855.347.3474, by letter to the address listed on the bill, or via electronic

1 delivery. We embrace a strong customer service orientation that makes meeting
2 customer needs an absolute priority.

3 **Q. HOW ARE RATE AND SERVICE INFORMATION REQUESTS PROCESSED?**

4 **A.** The Company's customer service representatives are prepared to respond to all rate and
5 service information requests through whatever medium customers elect to communicate
6 with the Company. The rates for most services and bundles are available at
7 www.bundles.dish.com.

8 **Q. HOW ARE OPERATOR-ASSISTED AND DIRECTORY ASSISTANCE CALLS**
9 **PROCESSED?**

10 **A.** The Company will provide directory assistance exclusively to its customers of record
11 through its underlying carrier as an ancillary service. Directory Assistance is accessible
12 by dialing "1", the area code of the desired number and "555-1212." The Company does
13 not provide alternative operator services to the transient public.

14 **Q. WILL THE COMPANY PROVIDE PUBLIC PAY TELEPHONE SERVICE?**

15 **A.** No. The Company does not plan to provide public pay telephone service.

16 **Q. WILL APPLICANT PROVIDE PREPAID SERVICES?**

17 **A.** No. The Company does not provide prepaid services.

18 **Q. IS THE COMPANY SEEKING RELAXED REGULATION?**

19 **A.** Yes. The Company seeks the same relaxed regulation that has been granted to other
20 competitive carriers. We request for the Company's interexchange services the flexibility
21 established by the Commission in Orders 95-1734 and 96-55 in Docket 1995-661-C and
22 modified by Order 2001-997 in Docket No. 2000 407-C. For local exchange services, we
23 seek the ability to establish a maximum rate in our tariff. In addition, we request that our

tariffs become effective upon filing. These are among the benefits of flexible regulation established in Order No. 98-165 in Docket No. 97-467-C.

Q. WHAT OTHER WAIVERS DOES THE COMPANY SEEK?

A. The Company seeks a waiver of 26 S.C. Reg. 103-610 which requires companies to maintain their records in South Carolina. Since the Company does not initially plan to maintain an office or personnel in the state, it would impose a burden and a hardship for the Company to establish a presence solely to provide access to records. The Company's records are maintained at our headquarters in Denver and will be made available to the Commission Staff and Office of Regulatory Staff ("ORS") at no charge. Granting this waiver does not expose the Commission, ORS or the public to any risk.

The Company also seeks a waiver of 26 S.C. Reg. 103-607, Regulation Governing Telephone Utilities Offering Regulated Prepaid Local Exchange Services and Bonds or Other Security Mechanisms. The Company's eventual parent company DISH reported total revenue in 2010 of \$12.64 billion, demonstrating ample evidence of financial stability. As a result, waiver of this regulation is appropriate, and not contrary to the public interest.

The Company also requests a waiver of any Commission policy that it maintain its books under the Uniform Systems of Accounts ("USOA") method. The Company maintains its records according to Generally Accepted Accounting Principles ("GAAP") and it would create an undue hardship to create and maintain a USOA system just for South Carolina.

1 **Q. IS GRANT OF THE COMPANY’S REQUEST FOR AUTHORITY TO**
2 **PROVIDE SERVICES CONSISTENT WITH THE PUBLIC INTEREST?**

3 **A.** Yes. The Company’s entry into the South Carolina local exchange and interexchange
4 telecommunications markets will increase competition among providers for the benefit of
5 consumers. Additional competition, especially for residential customers seeking to
6 bundle their phone service with high-speed internet and video services, leads to lower
7 prices, expanded availability of tailored service packages, improved customer service;
8 and reduced consumer complaints. Moreover, a more competitive telecommunications
9 sector, leading to lower costs for South Carolina citizens, should translate into benefits
10 for the state’s economy.

11 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

12 **A.** Yes.

EXHIBIT 1

States where approval has been granted:

Alabama, Colorado, New Mexico, Indiana, Iowa, Utah, Arizona, Wyoming, Nebraska, Minnesota, North Dakota, South Dakota, Idaho, Montana, Oregon and Washington

States with Applications pending:

Oklahoma, Arkansas, California, Florida, Illinois, Kentucky, Michigan, Missouri , South Carolina and North Carolina

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Liberty-Bell Telecom, LLC dba DISH)
Network Phone & Internet for a)
Certificate of Public Convenience and)
Necessity to Provide Competitive)
Interexchange and Local Exchange)
Telecommunications Services)
Throughout the State of South Carolina)
and for Alternative Regulation of its)
Interexchange Offerings and for Flexible)
Regulation of its Local Exchange)
Offerings)

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day, one (1) copy of the **Direct Testimony of Nigel Alexander** by placing a copy of same in the care and custody of the United States Postal Service (unless otherwise specified), with proper first-class postage affixed hereto and addressed as follows:

VIA ELECTRONIC MAIL SERVICE

C. Lessie Hammonds, Esq.
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PO Box 11263
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s/ Carol Roof
Carol Roof
Paralegal

October 13, 2011
Columbia, South Carolina

